

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	§	<b>Chapter 11</b>
	§	
<b>FIELDWOOD ENERGY LLC, et al.<sup>1</sup></b>	§	<b>Case No. 20-33948 (MI)</b>
	§	
<b>Debtors.</b>	§	<b>(Jointly Administered)</b>
	§	

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**W&T OFFSHORE, INC.'S LIMITED OBJECTION TO DEBTORS' EMERGENCY  
MOTION FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO  
PAY (A) PREPETITION INTEREST OWNER OBLIGATIONS, JOINT INTEREST  
BILLINGS, AND E&P OPERATING EXPENSES AND (B) 503(b)(9) CLAIMS, AND  
(II) GRANTING RELATED RELIEF**

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W&T Offshore, Inc. ("W&T") files this Limited Objection to the Debtors' *Emergency Motion for Interim and Final Orders (I) Authorizing Debtors to Pay (A) Prepetition Interest Owner Obligations, Joint Interest Billings, and E&P Operating Expenses and (B) 503(b)(9) Claims, and (II) Granting Related Relief* (the "Motion") (Doc. No. 7) and states as follows:

**I. LIMITED OBJECTION**

1. W&T is an oil and gas exploration and production company with significant offshore oil and gas interests in the Gulf of Mexico. W&T and its affiliates have a number of relationships with Debtors governed under joint operating agreements ("OAs"). Under some of the OAs, Debtors serve as operator with W&T owning a working interest.

2. Debtors seek authority in the Motion to pay prepetition joint interest billings and to pay prepetition expenses associated with operations, which they define as "E&P Operating

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422). The Debtors' primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

Expenses.” *See* Doc. No. 7 ¶ 5. Debtors provide little detail regarding which expenses will be paid and what terms will be included in the “Trade Agreements” associated with expenses.

3. Out of an abundance of caution, W&T files this Limited Objection to raise two distinct concerns. First, under no circumstances should any proposed “Trade Agreements” or other obligations modify or impair obligations set out in OAs related to either joint interest billings or E&P Operating Expenses. The OAs should continue to govern the respective interests of the parties with respect to all such expenses. Second, the governing OAs contain provisions related to the need for competitive bidding of certain services such as decommissioning and plugging and abandonment and the ability of working interest owners to review and challenge affiliate and/or related party contracts. Prior to entering into any such affiliate and/or related party contracts, they should be required to timely notify the affected joint interest owners and competitively bid out the services covered by such contracts with at least three (3) non-affiliated and unrelated service providers. Under no circumstances should any discretion be given to the Debtors to modify these requirements.

## **II. RESERVATION OF RIGHTS**

4. W&T reserves all rights with respect to these bankruptcy cases, all rights under any contracts and operating agreements, all rights related to any notices of assumption and cure, and all rights with respect to any claim it may assert or has asserted in this case, including, but not limited to, administrative priority claims that may arise, adequate protection for such expenditures, and all other rights in this case.

**WHEREFORE** W&T Offshore, Inc. prays the Court sustain this limited objection and grant it such other and further relief to which it may be justly entitled.

Dated: August 20, 2020

Respectfully submitted,

/s/ Philip G. Eisenberg

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**ATTORNEYS FOR W&T OFFSHORE, INC.**

**CERTIFICATE OF SERVICE**

This is to certify that a true copy of the foregoing was served via the Court's ECF system on those parties consenting to service through same on August 20, 2020.

/s/ Philip G. Eisenberg

Philip G. Eisenberg